

BOARD REPORT

PG. 2 NO. 22-083

with RAP in 2016 (Contract). The initial term of the Contract was due to expire on June 30, 2020, however, the RAP General Manager exercised an option to extend the Contract until June 30, 2025.

The original Contract previously allowed MWPCCC to request approval from the Board for a 3.5% increase to their tuition and fees page annually. The Board has approved 3.5% tuition and fee increases every year from 2016 through the 2018-19 fiscal year. On June 6, 2018, the Board approved a Second Amendment to the Contract to increase the allowable percentage rate for tuition and fee increases MWPCCC is allowed to request annually, to 4% each year. At such time, the Board authorized a 4% increase for the 2019-20 fiscal year, and subsequently on June 5, 2019, approved a 4% tuition and fee increase for Fiscal Year 2020-21.

On May 7, 2021, MWPCCC requested that RAP consider recommending for the Board's approval a 5% tuition and fee increase for Fiscal Year 2021-22, which also included a request for approval of a new Two Hundred Dollar (\$200) facility fee for each child enrolled at the Picus Center to cover certain administrative costs, such as supplies, materials, equipment and minor interior facility upgrades. However, staff was unable to process the request at that time due to factors beyond staff's control, including the loss of Partnership Section staff and the continued impacts from the Covid-19 pandemic. Through staff's continued discussions with MWPCCC regarding the requested 5% increase and implementation of the proposed new facility fee, it was mutually agreed that a request for an increase of 4% would be requested instead of the 5%, in order to adhere to the Board's previous approval of the Second Amendment to contract No. 3538 and the current allowable increase percentage of 4%. Although the 2021-22 fiscal year is reaching its end, MWPCCC has requested that the increase become effective on June 1, 2022, allowing for a thirty (30) day written notice be provided to the Joy Picus families on May 1, 2022.

Although the request for the proposed 4% tuition and fee increase is already authorized by the Second Amendment, the proposed Third Amendment to the Contract is required in order to authorize the imposition of the new \$200 facility fee. A form of the proposed Amendment is attached as Attachment 2. Attached to this Report as Attachment 3 is a letter from MWPCCC requesting the Board's approval of the proposed 4% tuition and fee increase and the imposition of the new facility fee, and describing the reasons why they are necessary. As with the previous Board-approved tuition and fee increases, the Picus Center tuition rates and fees will remain at or below the current market rate for childcare centers serving the downtown area.

The previous annual tuition and fee increases, as well as the current request, have all been supported by the Joy Picus Parent Advisory Committee, with the primary reason for the annual increases and new facility fee being to improve MWPCCC's financial position, allowing it to be able to boost Picus Center employee wages and benefits, keeping pace with the City's minimum wage requirements, and improving the health and dental benefits offered to their staff. MWPCCC is taking these measures in order to be competitive in today's employment environment, with the hope that increased wages and benefits will help attract and retain qualified, high-quality staff.

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In accordance with Section 6.10 of the Contract, as amended, MWPCCC is requesting authorization to increase their tuition and fees by 4% for the remainder of the 2021-22 Fiscal Year, and to impose a new \$200 Facility Fee for each child enrolled at the Picus Center, to be effective June 1, 2022. Again, the requests for such approvals are supported by the Joy Picus Parent Advisory Committee, as demonstrated by the correspondence included with this Report as Attachment 4.

Based on MWPCCC's written request outlining the reasons for the tuition increases and the imposition of the facility fee, and the support from the Joy Picus Parent Advisory Committee for the same, RAP staff recommends that the Board approve the proposed increase to the monthly tuition and fee rates and the Third Amendment to the Contract authorizing the imposition of the Facility Fee as presented by this Report.

FISCAL IMPACT

Approving the tuition and fee increases and the imposition of the Facility Fee has no fiscal impact on the RAP General Fund.

This report was prepared by Joel Alvarez, Senior Management Analyst II, Partnerships Section.

LIST OF ATTACHMENTS

- 1) Proposed Fiscal Year 2021-22 Tuition and Fees Schedule, effective June 1, 2022
- 2) Proposed Third Amendment to Contract No. 3538
- 3) Mount Washington Preschool and Childcare Centers, Inc. Tuition Increase Request Letter
- 4) Proposed Tuition Increase and New Fee Parent Advisory Committee Correspondence



Joy Picus Child Development Center

2021-2022 Tuition Rates – Effective 06/01/2022

Waiting List Fee: To be paid at the time application is turned in (non-refundable):	\$93.00
Enrollment Fee: To be paid at the time of enrollment:	\$161.00
Annual Facility Fee	\$200.00

Infants - Ratio 4:1	City	Community
5 days per week	\$1,562	\$1,616
4 days per week	\$1,389	\$1,442
3 days per week	\$1,049	\$1,086
2 days per week	\$703	\$725
Extra day of care (when available)	\$92	\$92

Toddler 1 - Ratio 4:1	City	Community
5 days per week	\$1,531	\$1,586
4 days per week	\$1,362	\$1,414
3 days per week	\$1,026	\$1,063
2 days per week	\$686	\$712
Extra day of care (when available)	\$92	\$92

Toddler 2 - Ratio 6:1	City	Community
5 days per week	\$1,352	\$1,428
4 days per week	\$1,182	\$1,241
3 days per week	\$915	\$956
2 days per week	\$643	\$686
Extra day of care (when available)	\$92	\$92

Preschool - Ratio 10:1	City	Community
5 days per week	\$1,147	\$1,268
4 days per week	\$1,048	\$1,113
3 days per week	\$811	\$872
2 days per week	\$570	\$618
Extra day of care (when available)	\$92	\$92

- **Hours of Operation:** 6:30 AM - 6:00 PM Monday through Friday
- **Holidays/Closure Days:** Closed all City Holidays & other days per schedule provided annually.
- Tuition is due by the first (1st) of every month.
- If the 1st is on a holiday, tuition is due on the NEXT business day.
- A **\$10.00 per day** late fee will be applied to tuition received after the due date.
- A **\$1.00 per minute** late pick-up fee will be applied for late pick-up after 6:00 pm or closing.
- There are no tuition credits or adjustments for illness, holidays, vacations, or circumstances beyond our control.
- A 30-day notice is required to terminate enrollment.

PLEASE MAKE CHECKS PAYABLE TO: MWPCCC

**Automated payments are processed through Tuition Express.
Income based payment arrangements and scholarship opportunities are available.**

THIRD AMENDMENT TO CONTRACT NO. 3538
BETWEEN
THE CITY OF LOS ANGELES
AND
MOUNT WASHINGTON PRESCHOOL AND CHILDCARE CENTER, INC.
FOR THE
OPERATION OF THE JOY PICUS CHILDCARE CENTER

THIS THIRD AMENDMENT TO CONTRACT NO. 3538 (“AMENDMENT”) is made this _____, 20____, by and between the City of Los Angeles (“CITY”), a municipal corporation acting by and through its Board of Recreation and Park Commissioners (“BOARD”), and Mount Washington Preschool and Childcare Center, Inc., a California non-profit corporation (“CONTRACTOR”). CITY and CONTRACTOR may be referred to herein individually as “PARTY” or collectively as “PARTIES”.

WHEREAS, on March 19, 2015, the BOARD approved Contract No. 3538 between the CITY and CONTRACTOR (Report No. 15-053), which was executed on January 6, 2016, authorizing CONTRACTOR to operate the Joy Picus Childcare Center (“Center”), a licensed childcare facility located on the ground floor of City Hall South for an initial five-year term commencing on July 1, 2015, with an option to extend such term for an additional five years, subject to the approval of the Department of Recreation and Parks (“RAP”) General Manager; and,

WHEREAS, the initial five-year term of Contract No. 3538 was due to expire on June 30, 2020; and,

WHEREAS on June 15, 2020, the RAP General Manager exercised the option to extend the term until June 20, 2025, in response to written correspondence from CONTRACTOR requesting the extension, dated May 29, 2020; and,

WHEREAS, through a Second Amendment to Contract No. 3538, approved by the BOARD on June 6, 2018, Contract No. 3538 allows CONTRACTOR to increase the tuition rate and schedule of fees for the Center by no more than four percent (4%) per year, subject to written approval by the BOARD; and,

WHEREAS, on April 5, 2022, RAP received written correspondence from CONTRACTOR requesting the BOARD’s approval for a 4% increase to the Center’s tuition rates , and for the imposition of an annual \$200 Facility Fee for each child enrolled at the Center (“Facility Fee”) as part of the Center’s tuition rates and fees schedule, both to be effective on June 1, 2022; and,

WHEREAS, the BOARD has approved such requested increase in the tuition rate and this AMENDMENT to Contract No. 3538 allowing for the imposition of the Facility Fee under Contract No. 3538 (Board Report #####).

NOW THEREFORE, in consideration of the foregoing, and the terms and conditions contained herein, and the performance thereof, PARTIES hereby agree to amend Contract No. 3538 as follows:

Section 6.10 – Tuition and Fees

Section 6.10 is hereby amended to add the following paragraph d) below in quotation marks:

- “d) CONTRACTOR may collect a Facility Fee on an annual basis in the amount of \$200 per child enrolled at the Center, as part of the Center’s Tuition and Fee Schedule, effective June 1, 2022. Any future change to the amount of the Facility Fee shall be subject to the written approval by the BOARD.”

Except as amended by this Third Amendment, Contract No. 3538, as previously amended by the First Amendment and Second Amendment thereto, shall remain unchanged and in full force and effect. Should any provision of Contract No. 3538, as previously amended, conflict with this Third Amendment, the terms and conditions of this Third Amendment shall prevail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this THIRD AMENDMENT TO CONTRACT NO. 3538, as of the day and year first written above.

CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS

MOUNT WASHINGTON PRESCHOOL AND CHILDCARE CENTER, INC., a California non-profit organization

By: _____
President

By: _____

By: _____
Secretary

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
Deputy City Attorney

Date: _____

April 5, 2022



**Mount Washington
Preschool and Child
Care Center, Inc.**

4601 N. Figueroa St.
Los Angeles, CA 90065
P: (323) 222-7114
F: (323) 222-7116

Joel Alvarez, Senior Management Analyst II
Partnership Division
City of Los Angeles
Department of Recreation and Parks
211 N. Figueroa Street
Suite 180 (Mail Stop #628-9)
Los Angeles, CA 90012

RE: Joy Picus Child Development Center Contract Number 3538

Dear Mr. Alvarez:



**La Casita Verde Child
Development Center**

4601 N. Figueroa St.
Los Angeles, CA 90065
P: (323) 222-7001
F: (323) 222-7116

As you know, the last two years have been tough due to challenges presented by COVID-19 pandemic. As an organization, we had to make significant changes to our daily operations to ensure that we kept the environment healthy and safe for all. The good news is that according to Center for Disease Control (CDC), the infection rates are going down. That does not mean we bring our guard down. We are still continuing to observe all the recommended precautions



**Joy Picus Child
Development Center**

111 E. 1st. Street
Los Angeles, CA 90012
P: (213) 978-0026
F: (213) 978-0029

In the last two years, the teaching staff at Joy Picus Child Development Center stepped up amidst these challenges and ensured that essential workers had high-quality care available for their children. Our staff remained dedicated to the families we serve, even when they had their own personal health and safety concerns to worry about. This points to their dedication and commitment to the Center.

As an organization, we have been so proud to see the classrooms continue to provide a fun and nurturing environment for the children while maintaining a sense of routine and security for children and their families alike. The team has exceeded all expectations, and we are truly in debt to them. As a management team, we have assessed the future of the organization and Joy Picus Child Development Center and recognize that to continue to provide the best quality care for the children, we need to focus on building our solid foundation we have in our fantastic teachers. To do so, we must provide a decent living wage and a functional environment so that our teachers know that they are appreciated and valued for the work they do as early childhood professionals.



**Harry Pregerson
Child Care Center**

255 E. Temple St.
Los Angeles, CA 90012
P: (213) 894-1556
F: (213) 894-4367

According to research conducted by the national Women's Law Center, women, more often than not women of color, make up 94% of the childcare workforce. According to the Bureau of Labor Statistics, childcare workers are severely underpaid and nearly 15% live below the official poverty line. Nearly half (47%) of California childcare workers take part in one or more public income support programs to supplement their families' earnings. Sadly, most of our staff fall into all these categories.

We lose productivity every time we lose a staff member and in the last several years, we have found it extremely difficult to find qualified teachers to fill those roles. Early childhood educators silently support working families, school readiness, and children's social/emotional development and deserve fair compensation for teaching our youngest learners. We want to join the movement that has started to uplift the field and build a better childcare system. It is imperative we ensure wages in the childcare field are

comparable to wages in other sectors.

The issue of childcare worker compensation has been difficult to advance because of the costs associated with ensuring quality care. Due to the tuition increase freezes the Joy Picus Child Development Center endured in the past, there are significant differences in tuition between Joy Picus and all other centers in the downtown area. Charging tuition that is below market level at Joy Picus has impeded the increase of teacher pay for our dedicated teachers. Over the past several years, the minimum wage has increased; however, we have been unable to make significant changes to move the salary of our educated teachers above that threshold. We recognize that to continue to find and keep dedicated teachers at Joy Picus, we must start compensating them a competitive wage.

MWPCCC Management and the Board of Directors committed to increasing our teachers' pay starting June 1, 2022, to recognize them for their hard work in providing the quality care for the children at the center. We looked at the teachers' education, experience and longevity at the center and have increased teacher pay at an average of 11%, which is just over last year's 8% inflation.

We are requesting a 4% tuition increase, in addition to implementing a \$200 facility fee for each child enrolled at the center. These two changes will allow us to support the teacher salary increases which, in turn, will benefit the center and children. In researching other centers in the downtown area, not only is the charged tuition higher than Joy Picus, but many also have an annual registration fee or facility fee to help support their operations. Our goal is to use the requested facility fees to supplement our material and supplies and furniture costs so that the bulk of the tuition collected can be used towards our teachers' salaries.

We request this increase of 4% and the implementation of the \$200 facility fee per child be approved effective June 1, 2022. We will need to distribute letters to the parents no later than May 1st, 2022, to give them the proper 30-day notice for the increase.

We appreciate your consideration of this tuition rate increase and introduction of facility fees and look forward to hearing from you soon.

Best,

Dianne' Walker
Acting-Executive Director
Mount Washington Preschool and Child Care Center, Inc.
dianne@mwpcce.org
(213) 978-0026



**Mount Washington
Preschool and Child
Care Center, Inc.**

4601 N. Figueroa St.
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April 7, 2022

Dear City of Los Angeles Board of Recreation and Park Commissioners:

We the Joy Picus CDC Parent Advisory Committee are writing in support of the 4% tuition increase and the additional \$200.00 annual fee. We approve the increase in order to compensate wages for teachers and staff at Joy Picus Child Development Center effective June 1st, 2022.

During the pandemic, early childhood teachers have been important essential workers, allowing all of us to continue our work and to keep the city's economy afloat. They have done this while working with small children, many of whom cannot wear masks, and where the concept of "social distancing" can't apply. They have literally put their lives and their family members' lives at risk to care for our children.

A 4% increase \$200.00 annual fee is necessary, and our early childhood teachers deserve so much more. I have seen first-hand that some of the best teachers at the school have had to leave this profession because the pay is too low. In addition to this 4% increase and \$200.00 fee, the city should also find a way to further subsidize the pay of staff and teachers at Joy Picus, so that they are paid what they truly deserve, while keeping the childcare center socio-economically diverse and inclusive.

Current PAC members

- Rhiannon Kirchner (President)
- Colleen Corcoran (Secretary)
- Zenay Hayward (Treasurer)
- Rolando Alvarado (Fundraising)

Sincerely,

Colleen Corcoran (PAC Board Secretary)

colleen@placeandpage.la

213-400-4997